The Economic Benefits of Current Deregulatory Policies

The Council of Economic Advisers

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Executive Summary

Excess regulation harms economic activity by increasing compliance costs and misallocating resources away from more profitable activities, thus discouraging innovation, investment, and economic growth. Regulatory complexity coupled with high compliance costs can also act as a barrier to entry, sheltering incumbent producers and stifling competition, thereby reducing startup activity and job formation. Moreover, onerous regulations can lead to higher prices, reduced opportunities, an increase in the poverty rate, and disproportionate impacts on small businesses.

In response, the Trump Administration has taken major steps to reduce regulatory burdens impacting American households and businesses. Upon returning to office, President Trump immediately froze all regulatory proposals still in the approval process, which, had they gone into effect, could have cost Americans over $180 billion or $2,100 per family of four in present value terms. In addition to these cost savings, President Trump launched a sweeping, multi-agency initiative aimed at rescinding Federal regulations that contribute to higher living costs.

These efforts have already identified a range of significant potential cost savings that can be achieved through deregulatory action, including $679 billion in combined potential savings from rescinding the Environmental Protection Agency's (EPA) "Good Neighbor Plan" ozone air quality rule and multi-pollutant emission rule for light-duty and medium-duty vehicles, $23 billion in potential savings from the delay and eventual rollback of seven Department of Energy (DOE) rules on appliance conservation standards[1], and $25 billion in potential savings from the elimination of the Department of Transportation's (DOT) current Corporate Average Fuel Economy (CAFE) standards.[2]

The combined savings from all these actions and other agency actions in the works could be as high as **$907 billion dollars or over $10,600 per family of four** in present value terms[3] if all the preempted regulatory proposals had otherwise been finalized.[4]

A key component in the President's strategy for long-run regulatory reduction is the 10-to-1 regulatory budget, requiring that in any fiscal year when an agency issues a new rule or guidance document, 10 existing rules or guidance documents must be eliminated. Additionally, for Fiscal Year 2025, the total cost

[1] The seven energy conservation rules for appliances includes gas-instantaneous water heaters, conventional cooking products, dishwashers, clothes washers, clothes dryers, consumer furnaces, and commercial water heating equipment.
[2] The potential cost savings estimates reported above were provided by the agencies to the Council of Economic Advisors and will likely change as the deregulatory actions move through the rulemaking process. For reference, analysis from the American Action Forum's Regulation Rodeo reported much higher costs for the original final rules: $870 billion for the EPA vehicle emission rule and $45 billion for the DOT rule.
[3] All estimates in this paper are presented in present value in 2024 dollars because regulations affect economic activity not just in the year imposed, but persistently and in many cases for decades. Regulations may also produce monetary benefits (e.g., cars with increased fuel efficiency are less expensive to operate since they consume less fuel) which should be subtracted from monetary costs when determining the net monetary savings from rolling back a regulation. In some cases, such monetary benefits are recorded by agencies as negative costs (see, e.g., Table 211 from the EPA tailpipe rule), but this varies by agency.
[4] This total does not include any 2025 Congressional Review Act resolutions. Because the EPA and DOT rules both impact vehicle emissions, there may be overlap in their regulatory requirements. In that case, savings from repealing both rules may be less than the sum of their standalone cost estimates.

savings from repealed rules must "significantly" exceed the total cost associated with new rules. This initiative expands upon the regulatory budget framework successfully implemented during President Trump's first term, which mandated the repeal of at least two existing regulations for every new rule introduced, but in practice eliminated 5.5 regulations for each new significant rule.

To date, the Trump Administration has issued over 20 presidential actions (i.e., executive orders, presidential memoranda, and presidential proclamations) that promote regulatory reform, a record for any President in their first 100 days in office. These actions mandate a wide range of actions, including:

- Rescinding onerous executive orders and proposed regulations issued by previous administrations;
- Ending DEI programs;
- Eliminating regulatory obstacles to increased energy supply and natural resource extraction;
- Sunsetting obsolete energy rules;
- Cutting costly regulations that have increased the prices of essential consumer goods and services, including food, housing, energy, and healthcare;
- Eliminating obstacles to sustained American leadership in artificial intelligence;
- Dismantling rules hindering innovation in digital assets and finance;
- Creating the United States Investment Accelerator to significantly expand government assistance to foreign companies that invest and build in the United States by promptly removing regulatory obstacles;
- Revoking unconstitutional regulations and rules that stifle competition;
- Implementing emergency measures to increase water resources in California; and
- Removing regulatory hurdles to disaster recovery in North Carolina.

To get a better sense of the potential long-run benefits of deregulation, it is instructive to look at rulemaking under the previous administration. Based on estimates from Federal agencies themselves as reported by the American Action Forum, the Biden Administration imposed a record $1.8 trillion in present value in new regulatory costs on the economy. If the potential cost savings from rolling back these rules is annualized over a 20-year period, it is equivalent to a 0.29 percentage point increase in annual economic growth, assuming that every dollar of regulatory cost reduces gross domestic product (GDP) by a dollar and that these regulations have no market benefits.[5]

However, even those effects come in far below University of Chicago Professor Casey Mulligan's estimate of $5 trillion in present value regulatory costs in Biden Administration rulemaking, when properly accounting for resource and opportunity costs that, in his assessment, were not captured in the official estimates.[6] If Professor Mulligan's estimate is used, the potential long-run cost savings from rolling back these rules increase to 0.78 percentage points annually.

[5] The length of the time horizon used for regulatory impact analysis (RIA) depends on how long a regulation is estimated to have an economic effect, which in some cases exceeds 20 years. For example, the EPA tailpipe emission rule considers costs and benefits out to 2055.

[6] Mulligan estimates $5.792 trillion in "true" regulatory costs based on the Biden Administration's pace of rulemaking 41 months into office. The actual self-reported regulatory costs of agencies at the end of Biden's term was 13.3% below Mulligan's forecast. Therefore, if one adjusts Mulligan's "true" regulation cost estimate accordingly, it drops to $5.020 trillion.

While a wholesale recission of all rules finalized in the previous administration is unlikely, this range illustrates some of the potential savings of the Trump Administration's deregulatory agenda. Moreover, any further deregulatory actions aimed at earlier regulations could generate additional savings, which will likely occur given President Trump's 1-in-10-out regulatory budget. Taken together, the upper bound associated with the elimination of *just* the Biden Administration's regulations results in cost savings equivalent to a **0.29% to 0.78% boost in annual economic growth over 20 years**. Using the Office of Management and Budget's (OMB) rules of thumb and employing the FY 2025 Federal budget and economic outlook as a baseline, this additional economic growth generated by deregulation would **reduce the Federal deficit by between $1.1 and $2.9 trillion over 10 years**.[7]

An additional benefit of deregulation is lower inflation. As previously mentioned, regulations can substantially increase prices. A recent study finds that a 10-year moratorium on regulation growth would **reduce the inflation rate by 0.60% annually**. Moreover, since interest rates move with changes in inflation, the same study predicts that such a regulation moratorium would reduce Treasury rates by 0.70 percentage points over this period and **reduce the Federal deficit by $630 billion over 10 years**. These benefits are in addition to the positive growth effects associated with deregulation.

Background

Regulations can promote the public interest by protecting public health and safety, individual and property rights, and the environment. When done correctly, policy makers verify that alternative remedies short of regulation are neither possible nor effective and that their proposed rulemaking achieves its stated purpose at the lowest possible cost to society. Moreover, the benefits of the regulation (expressed in monetary terms) must exceed, or at least justify, the costs, and for the sake of efficiency there should not exist any other policy alternative that delivers more benefits for the same costs (i.e., the policy should minimize opportunity cost).

Cost-Benefit Calculation Methodologies and Challenges

Calculating the benefits of U.S. regulations is complicated by challenges related to open questions on empirical validity, theoretical assumptions, and methodological choices. A key area of debate has been the estimation of benefits related to greenhouse gas emissions historically driven by a Social Cost of Carbon (SCC), which reflected the imputed *global* benefit of reduced carbon dioxide emissions. However, some experts argue considering the impact of policies on global emissions (even if not monetized) may exceed the legal scope of Federal agencies and overstate benefits relative to U.S. costs. In Executive Order 14154, the President concluded that the calculation of SCC "is marked by logical deficiencies, a poor basis in empirical science, politicization, and the absence of a foundation in legislation."

Consequently, OMB released guidance document M-25-27, instructing Federal agencies to reevaluate their use of greenhouse gas emissions in regulatory and permitting decisions. Furthermore, pollutant risk

[7] According to OMB's latest rules of thumb (see Table 2-4 in the FY25 Budget's *Analytical Perspectives*), a sustained 1 percentage point increase in real GDP growth would result in deficit reduction of approximately $3.7 trillion over the 10-year budget window, using the FY25 Federal budget and economic outlook.

assessments frequently rely on linear non-threshold (LNT) dose-response models, which assume that even the smallest dose of a toxin causes harm—an assumption increasingly challenged by scientists who argue that thresholds may be more biologically accurate. For example, the Nuclear Regulatory Commission states: "radiation could pose some health risk. This risk increases with exposure in a linear, no-threshold manner…Since it is assumed that any exposure to radiation could pose some health risk, it makes sense to keep radiation doses as low as reasonably achievable-known as ALARA." Applying this standard to drinking water, the EPA limits tritium (a radioactive isotope of hydrogen) to 740 becquerels per liter (Bq/L). For comparison, most countries rely on modern dose-risk models and exposure standards developed by the International Commission on Radiological Protection and the World Health Organization (WHO). Consequently, Canada's limit is nearly 10 times higher (7,000 Bq/L), while Finland's limit is over 40 times higher (30,000 Bq/L).

Beyond these scientific disagreements, challenges arise in how benefits and costs may be weighted. While the 2023 revision of OMB Circular A-4 included distributional weights, giving greater emphasis to benefits and costs for different income groups, these were never widely implemented.[8] President Trump has since ordered the rescission of this revised circular via Executive Order 14192 and replaced it with the 2003 version of A-4, which does not include a discussion of distributional weights.[9] The use of distributional weights involves giving greater emphasis to the benefits and costs of certain affected entities based on their income; the 2023 revision of Circular A-4 gave agencies discretion on when to apply distributional weights.[10] However, the use of weights may introduce significant distortions. Professor Kip Viscusi points out that when using these weights in a cost-benefit analysis, "[a] benefit amount of under one cent to those with income levels of $25,000 would be more than sufficient to warrant a $1 transfer from a millionaire" (pg. 256). As such, these weights undermine the objectivity of cost-benefit analysis by substituting subjective preferences over income groups for market-based measures.[11] For example, Viscusi shows that if you use distributional weights following OMB's methodology, a hypothetical regulation to protect property from flood or fire damage would value a home with a replacement value of $25,000 owned by a family with $25,000 of income at $116,400, but would only value a home with a replacement value of $400,000 owned by a family with $400,000 of income at $38,400. Given the benefit and cost distortions that weighting introduces, a more prudent and economically efficient approach to distributional effects would entail subjecting proposed regulations to conventional benefit-cost methodology and then compensating negatively-impacted individuals with suitable transfers.

The discount rate used to calculate present values also significantly impacts regulatory outcomes. Prior to the 2023 revision of Circular A-4, a 7% social discount rate reflected the average rate of return to capital in the U.S. economy, representing the opportunity cost of capital displacement. The 2023 revision abandoned this rationale for social discounting, and replaced the two rates required for decades (3% and 7%) with a single rate of 2%, with a potential direct adjustment for the "shadow price" to account for displaced capital investment, reflecting longstanding differences between risk-free rates of return and average returns on

[8] Per OMB, distributional weights were never used in any final rules.
[9] OMB Circular A-4 provides agencies with guidance on how to conduct regulatory impact analysis.
[10] The 2023 OMB Circular A-4 assumes that individual marginal utility declines with income in a specific manner, and thus the distributional weights are an attempt to model this hypothesized relationship.
[11] The 2023 Circular A-4 also asks analysts to measure hard to quantify and nebulous concepts such as a regulation's "dignity, equity, or fairness effects." (pg. 4)

capital. However, the shadow price of capital was set to a default of 1.0, effectively assuming these observed differences in rates of return are not due to economic distortions, and thus investment displacement imposes no additional opportunity cost. This leads to a systematic overstatement of the net benefits of regulation in cases where regulatory effects displace investment.[12]

Consider a power plant facing significant compliance costs for a new environmental regulation. If a 7% discount rate is used, a project with long-term benefits may not pass a cost-benefit test. However, using the 2% rate from the rescinded 2023 Circular A-4 makes such projects appear more beneficial. This change hinges on the assumption that displaced capital investment is either negligible or perfectly offset by other sources. In reality, capital is scarce, and displacing investment leads to a chain of unfunded projects, resulting in a genuine opportunity cost greater than one dollar per dollar displaced. The 2003 Circular A-4 explicitly acknowledges this, advocating for a range of discount rates that consider the potential capital displacement effects of regulations.

The restoration of the 2003 version of OMB Circular A-4 re-established the requirement to analyze rules using both a 3% and 7% discount rate. OMB's 2003 Circular A-4, which was used for decades across multiple administrations, more reasonably assumes a range of rates that contemplates the potential capital displacement effects of regulations.

Calculating Regulatory Costs

Given the lack of consensus on how to estimate regulatory benefits, this report focuses exclusively on the economic costs of regulations, which agencies more often estimate, and in many instances may have a more direct linkage to market-based outcomes. Regulatory costs reflect, among other things, the opportunity cost and resource costs associated with a rule. Specific examples of these include compliance costs (i.e., the costs that businesses incur to study and fulfill regulatory obligations), the associated deadweight loss in the regulated industry due to reduced output, knock-on effects associated with suboptimal resource allocation in other markets (e.g., factor markets, supply chains, etc.), and governmental costs associated with administration of the rule, to name a few.

Benefit-Cost Methodology

When applied to regulations, benefit-cost analysis compares the expected benefits of a rule with the expected costs over the rule's lifetime. This involves identifying all relevant impacts, both direct and indirect, and converting them into monetary values. These streams of costs and benefits are then discounted to present values, allowing comparison across time. The net present value (NPV) of the rule is calculated by subtracting total costs from total benefits. A positive NPV indicates net benefits and is a necessary condition for a rule to be considered economically viable.

[12] We note that the assumptions required for a shadow price of capital equal to 1.0 are not supported by the literature cited in the 2023 OMB Circular A-4. In fact, the cited literature points to higher values of the shadow price of capital.

To illustrate the calculation of total costs within this framework, consider the line-item cost estimates (present value amounts discounted at 2%) reported in the EPA's 2024 final multi-pollutant emission rule for light-duty and medium-duty vehicles:

1) $870 billion in vehicle technology costs reflecting the projected increase in the average purchase price of vehicles;[13]

2) $33 billion in increased insurance costs reflecting the higher cost of insuring electric vehicles (EVs) and the increase in anticipated driving (known as the "rebound effect");

3) -$340 billion in repair and maintenance costs reflecting the anticipated *lower* operating costs of EVs; and

4) $25.41 billion in congestion and noise costs reflecting increased time lost in traffic and the associated noise from increased anticipated driving.

Thus, the total EPA estimated cost is $590 billion.[14] To be clear, this does not include other monetary benefits (e.g., fuel savings) or nonmonetary benefits (e.g., imputed health benefits), which need to be separately summed to determine total benefits and thus the NPV of the rule.

The Economic and Human Costs of Regulation

When considering all Federal regulations, compliance costs alone are substantial, costing U.S. firms on average approximately $13,000 per employee in 2012 (when expressed in 2024 dollars), according to a 2014 study. Since many of these compliance costs are fixed, they pose a greater challenge for small businesses, since they have less output over which to spread these costs. In 2012, average per employee compliance costs (expressed in 2024 dollars) for small firms totaled over $15,000 compared to nearly $12,000 for large firms.[15] The regulatory environment can create distortions that enhance returns to scale for larger firms.

Such higher costs for upstarts relative to incumbents leads to misallocation of capital and reduced competition. A 2017 study finds that reduced competition, driven in part by higher regulations, has led to significant underinvestment among U.S. firms since the early 2000s. A separate 2017 study finds that increased Federal regulations of industry are associated with fewer firm births and slower employment growth. Specifically, a 10 percent increase in Federal regulatory restrictions within an industry is associated with a 0.47% decline in new firm births and a 0.63% decrease in hiring within the regulated industry.[16] Notably, the authors find that large firms are less likely to exit an industry in response to heavy regulation, further suggesting that regulations have a deleterious effect on competition. This result is consistent with Nobel Laureate George Stigler's empirical work on regulatory capture that found regulations often serve

[13] This is the cost originally reported by Regulation Rodeo.
[14] Per Table 211 in the final rule, "totals may not sum due to rounding."
[15] Small businesses were defined as firms with fewer than 50 employees while large businesses were defined as firms with 100 or more employees.
[16] Regulatory restrictions were measured using RegData. For more information about RegData, see the data documentation on https://www.quantgov.org.

the interests of incumbent firms rather than delivering promised consumer benefits, undermining the economic rationale for many policies.

While some regulations expand the set of actions available to households and firms (i.e., enabling regulations), regulations typically restrict private sector decisions that yield the highest utility to consumers and investors. Furthermore, regulations generally consume real resources that otherwise would have been spent on private investment or consumption or redirect resources toward particular investment or consumption activities not of households' or firms' voluntary choosing. The opportunity cost of these distorted choices is the forgone investment and consumption activities that would have occurred in the absence of the regulation. As such, the aggregate output of goods and services in the economy is generally reduced. A 2018 study estimates that the growth of Federal regulations over the period 1980 to 2012 trimmed U.S. growth over a subset of 22 sectors by 0.8% per year. Put differently, if U.S. regulations had not grown over this period, the economy would have been 25 percent larger (or $5.4 trillion in 2024 dollars) than what was observed in 2012. In per capita terms, this exceeds $17,400 per person in 2012 (expressed in 2024 dollars). Critically, this estimate does not consider the impact of regulations promulgated after 2012, which would further increase the volume of lost economic output.

Beyond the economic consequences of regulation, research suggests that excessive regulation has regressive effects (i.e., a disproportionate impact on low-income populations). Using a measure of the incidence of Federal regulations at the state level, a 2022 study finds that increased regulations are associated with higher income inequality.[17] Specifically, a 10% increase in binding Federal regulations is associated with a 0.5% increase in state-level income inequality (measured by the Gini coefficient). Given the empirical relationship between regulations and income distribution, it is not surprising that a 2018 study also finds that a 10% increase in binding Federal regulations is associated with a 2.5% increase in state-level poverty.

Potential Savings from Substantial Deregulation

To the extent that President Trump rolls back the prior administration's $1.8 trillion in new regulations, substantial costs will be averted over the lifespan of these rescinded rules. If these savings are conservatively annualized over a 20-year span, this is equivalent to an increase in U.S. GDP growth of 0.29% per year assuming that every dollar of regulatory costs reduces GDP by one dollar and that none of the regulations yield any market benefits.[18] However, this is likely a substantial underestimate of the true cost of these rules. Professor Mulligan estimates that the true cost of Biden's regulations is closer to $5.8 trillion.[19] According to Mulligan (pg. 11):

[17] The study utilized the FRASE index, which is a state-level measure that quantifies the relative burden of Federal regulations at the state level by weighting industry-specific Federal rules by the industrial composition of each state. For more details on the methodology behind the FRASE index, see https://www.quantgov.org.
[18] While this is a strong assumption that is certainly violated in practice, the assumption is necessary to set an upper bound on the potential growth effects from rolling back Biden Administration rules.
[19] This report includes what is referred to as the "Marginal Excess Tax Burden" (METB) of rules that facilitate Federal spending. This concept is well-established as an impact of diverting resources from the economy through taxes and redirecting them through government spending; however, OMB does not require that the METB be included as a cost within the cost-benefit analysis for each specific rulemaking. This Administration is studying the issue in more detail.

> *"Aside from DOT and EPA, most prolific rulemaking agencies routinely overlook opportunity and resource costs. Perhaps motivated by the Paperwork Reduction Act, these agencies either leave costs unquantified or only quantify clerical costs, often by estimating the number of hours required to perform the paperwork and multiplying by an estimate of the hourly wage of the personnel doing the paperwork."*

To correct for these deficiencies, Mulligan examined final rules in 2016 to determine the typical level of missing costs by regulation type and agency. He found that on average, the true costs of Health and Human Services (HHS), Federal Communications Commission (FCC), Consumer Financial Protection Bureau (CFPB), and Department of Labor (DOL) regulations were 17 times higher than reported by the agencies. That is, for every $1 of costs reported by these agencies, Mulligan found an additional $16 in missing costs. The reason for this large discrepancy is that these agencies typically only account for clerical (i.e., reporting and recordkeeping) costs of rules, and generally ignore the much larger negative impacts on the economy. For the remaining agencies, he found $0.70 in missing costs for every dollar of costs reported.

Using these values, Mulligan adjusted the reported regulatory cost estimates of the Biden Administration's published final rules at the time of the study (41 months into office), and assumed an equal pace of rulemaking over the final seven months of Biden's term. Mulligan estimated that agencies would self-report $2.077 trillion in regulatory costs over Biden's full four-year term, and that the true cost of these rules would be approximately $5.792 trillion. However, the actual cost of the Biden Administration's rules as reported by the agencies was $1.8 trillion or 13.3% below Mulligan's forecast. Therefore, if one adjusts Mulligan's "true" regulation cost estimate accordingly, it drops to $5.02 trillion. If these potential savings are annualized over a conservatively long 20-year span, this is equivalent to an increase in U.S. growth of 0.78% per year.

Other Benefits of Deregulation

In addition to their impact on economic growth, regulations also create inflation. For example, impacted industries will attempt to pass compliance costs onto consumers in the form of higher prices. Regulations can make firms less output responsive to demand growth, increasing the incidence of demand shocks on prices relative to quantities. Thus, a buildup of rules across industries leads to a general rise in the price level and a higher inflation rate.[20] A recent study finds that regulations have a significant impact on inflation. Comparing a 10-year freeze in new regulations against a baseline of regulatory accumulation at their historic pace (i.e., a 5.4 percent increase over the period), they estimate that the price level would be 5.7 percent lower (or a reduction in the inflation rate of 0.6% per year). Furthermore, they find that:

> *"The reduction in inflation … gives space for Treasury rates to fall by 0.7 [percentage points]. Using the Congressional Budget Office (CBO) 'rule of thumb' workbook, the combination of inflation and interest rate reductions would reduce the deficit by about $630 billion over 10 years."*

[20] Research has also shown that these price increases have a disproportionate impact on poorer households since they spend a larger proportion of their income on heavily regulated goods and services like rent and electricity.

Current Reform Efforts

Upon taking office on January 20, 2025, President Trump immediately froze all outstanding regulatory actions that had not been implemented, reducing future costs for Americans by as much as $180 billion or $2,100 per family of four over the coming years. In addition, President Trump signed several other Day One presidential actions designed to provide regulatory relief, including:

- Rescinding onerous executive orders and proposed regulations issued by previous administrations;
- Ending DEI programs;
- Eliminating regulatory obstacles to increased energy supply and natural resource extraction; and
- Cutting costly regulations that have increased the prices of essential consumer goods and services, including food, housing, energy, and healthcare.

President Trump's memorandum, "Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis," directs "the heads of all executive departments and agencies to deliver emergency price relief … to the American people." Departments and agencies working to reduce the cost of living currently include, but are not limited to, the Environmental Protection Agency, Department of Agriculture, Department of Commerce, Department of Energy, Department of Health and Human Services, Department of Housing and Urban Development, Department of the Interior, Department of Labor, and Department of Transportation. Per the President's directive, departments and agencies are:

> *"pursuing appropriate actions to: lower the cost of housing and expand housing supply; eliminate unnecessary administrative expenses and rent-seeking practices that increase healthcare costs; eliminate counterproductive requirements that raise the costs of home appliances; create employment opportunities for American workers, including drawing discouraged workers into the labor force; and eliminate harmful, coercive 'climate' policies that increase the costs of food and fuel."*

This multi-agency effort has already identified existing regulations and policy changes that will result in significant cost savings. While most of these actions have not yet been publicly disclosed, those that are publicly known include $679 billion in combined potential savings from the rollback of the EPA's "Good Neighbor Plan" ozone air quality rule and tailpipe emission rule for light-duty and medium-duty vehicles, $23 billion in potential savings from the delay and eventual recission of seven DOE rules on appliance conservation standards,[21] and $25 billion in potential savings from the elimination of DOT's current fuel economy standards. The reversal of these regulations alone would yield $727 billion in potential total savings over the coming years.

A comprehensive list of all Presidential Actions cited in this report is provided in Table 1 below. The Appendix provides a brief summary of each of these actions.

[21] The seven energy conservation rules for appliances include gas-instantaneous water heaters, conventional cooking products, dishwashers, clothes washers, clothes dryers, consumer furnaces, and commercial water heating equipment.

Table 1. All Executive Orders and Presidential Memoranda Cited in this Report	
Executive Orders	**Date**
14148 - Initial Recissions of Harmful Executive Orders and Actions	1/20/2025
14151 - Ending Radical and Wasteful Government DEI Programs and Preferencing	1/20/2025
14153 - Unleashing Alaska's Extraordinary Resource Potential	1/20/2025
14154 - Unleashing American Energy	1/20/2025
14156 - Declaring a National Energy Emergency	1/20/2025
14178 - Strengthening American Leadership in Digital Financial Technology	1/23/2025
14179 - Removing Barriers to American Leadership in Artificial Intelligence	1/23/2025
14181 - Emergency Measures to Provide Water Resources in California and Improve Disaster Response in Certain Areas	1/24/2025
14192 - Unleashing Prosperity Through Deregulation	1/31/2025
14219 - Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative	2/19/2025
14236 - Additional Rescissions of Harmful Executive Orders and Actions	3/14/2025
14241 - Immediate Measures to Increase American Mineral Production	3/20/2025
14255 - Establishing the United States Investment Accelerator	3/31/2025
14260 - Protecting American Energy from State Overreach	4/8/2025
14261 - Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241	4/8/2025
14264 - Maintaining Acceptable Water Pressure in Showerheads	4/9/2025
14267 - Reducing Anti-Competitive Regulatory Barriers	4/9/2025
14270 - Zero-Based Regulatory Budgeting to Unleash American Energy	4/9/2025
Presidential Memoranda and Proclamations	
Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis	1/20/2025
Regulatory Freeze Pending Review	1/20/2025
Regulatory Relief for Certain Stationary Sources to Promote American Energy	4/8/2025
Directing the Repeal of Unlawful Regulations	4/9/2025

Conclusions

Since his first day back in office, the President has worked to provide Americans with substantive regulatory relief. We expect such relief to total up to $907 billion dollars or more than $10,600 per family of four in potential savings over the coming years, while implementing a broad agenda to reduce regulatory burdens. If the record number of regulations finalized during the previous administration were reversed, with present value cost estimates ranging from $1.8 to $5 trillion—and their regulatory costs had a one-for-one negative impact on GDP, with no market benefits—U.S. GDP growth could be 0.29% to 0.78% higher annually over the next two decades.

More than 20 significant presidential actions promoting regulatory reform have been executed thus far by President Trump, a record for any President in their first 100 days in office. Those actions should reduce the prices of essential consumer goods and services, including food, housing, energy, and healthcare, while also supporting greater oil, gas, and natural resource extraction, and promoting American competitiveness in the fields of digital finance and artificial intelligence.

APPENDIX

Summary of Selected Presidential Deregulatory Actions as of April 13, 2025

The following is a non-exhaustive summary of presidential actions designed to reduce regulatory burdens and are grouped into three broad topics: 1) promoting technological innovation, 2) boosting domestic energy output, and 3) other notable deregulatory actions.

Strengthening American Leadership in Technology

Technological innovation is vital for U.S. economic growth since it boosts productivity, which in turn increases real wages and living standards. Major technological breakthroughs like AI can also spawn entirely new products, industries, and professions. Innovation has the potential to strengthen national security and economic resilience by improving domestic supply chains and promoting energy independence. To promote technological innovation and strengthen American leadership in the high-growth industries of the future, including digital finance and artificial intelligence, President Trump signed several key executive orders.

Executive Order 14178 (Strengthening American Leadership in Digital Financial Technology) revokes policies that curtailed innovation in digital finance (i.e., Executive Order 14067 and the Department of the Treasury's previous "Framework for International Engagement on Digital Assets"). President Trump's order contains several policy objectives, including:

- Protecting Americans' rights to access and participate in public blockchain networks without undue restrictions;
- Promoting the sovereignty of the U.S. dollar by supporting the development and global use of dollar-backed stablecoins;
- Ensuring fair access to banking services for all individuals and businesses; and
- Providing clear and technology-neutral regulatory frameworks to foster innovation in digital assets and blockchain technologies.

Notably, the order prohibits the "establishment, issuance, circulation, and use" of any Central Bank Digital Currency (CBDC) within the United States, thereby safeguarding consumer privacy and freedom. Instead, the order promotes the development of private stablecoins.[22]

Executive Order 14179 (Removing Barriers to American Leadership in Artificial Intelligence) aims to strengthen the United States' global leadership in artificial intelligence (AI) by revoking existing policies that obstruct AI innovation. The order emphasizes the development of "AI systems that are free from ideological bias or engineered social agendas." To achieve these objectives, the order mandates a

[22] Private stablecoins are cryptocurrencies designed to maintain a stable value relative to a national currency or other reference asset. For example, issuers of dollar-backed stable coins typically hold one dollar in reserve for every stablecoin they issue and will redeem their stablecoins for dollars at par value on demand. This convertibility helps to maintain a one-to-one peg with the U.S. dollar.

comprehensive review of all policies and actions stemming from the previous administration's AI initiatives, particularly Executive Order 14110, which threatened to forestall AI innovation through a labyrinth of development restrictions. The latest Executive Order, 14179, directs agencies to identify and suspend any measures that are inconsistent with the new policy framework. Additionally, the Order mandates the development of an action plan "to sustain and enhance America's global AI dominance" over foreign competitors like China.

Along with creating a regulatory environment more conducive to technological innovation, the Trump Administration is also promoting the complementary policy of streamlining large-scale foreign investment in the United States. Executive Order 14255 (Establishing the United States Investment Accelerator) creates the United States Investment Accelerator within the Department of Commerce. This initiative aims to "facilitate and accelerate investments above $1 billion in the United States by assisting investors as they navigate … regulatory processes efficiently." The Accelerator is also tasked with enhancing access to national resources, promoting collaboration with national laboratories, and coordinating efforts with state governments to attract both domestic and foreign investment.

Significant responsibilities of the Investment Accelerator include overseeing the CHIPS Program Office, which administers the CHIPS and Science Act, and negotiating more favorable CHIPS Act agreements for the government.

Unleashing American Energy

Affordable and reliable energy is essential because it powers all sectors of the U.S. economy, keeps production and living costs low, ensures access to affordable transportation, and supports millions of jobs. Domestic energy is also critically important to support new and fast-growing industries like AI, electric vehicles, robotics, and data centers, and enhances national security by reducing dependence on foreign sources.

Between April 8 and 9, 2025, President Trump signed three executive orders and one presidential proclamation to increase American energy output. Executive Order 14260 (Protecting American Energy from State Overreach) seeks to rein in state and local climate laws deemed unconstitutional or in conflict with Federal energy policies, thereby providing energy producers with greater regulatory clarity and reduced regulatory risk. The order provides examples of such laws, including New York's climate change law which retroactively imposes billions in fines on energy producers for past greenhouse gas emissions and California's cap-and-trade system, which sets infeasibly low emission caps.

Executive Order 14261 (Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241) seeks to meet the rising demand for energy to power AI data centers and manufacturing, support coal technology development, and encourages more Federal investment in coal. Furthermore, the order designates coal as a "mineral," granting it benefits under Federal mineral policies. This order reverses prior policies designed to transition domestic electricity production away from coal.

Executive Order 14270 (Zero-Based Regulatory Budgeting to Unleash American Energy) streamlines energy regulations and eliminates outdated rules by mandating that agencies such as the EPA, DOE, FERC,

NRC, and others assign expiration dates to existing and new energy-related regulations, requiring periodic review and justification for their continuation. Existing regulations will expire one year after the effective date of the sunset rule unless extended following public input, while new regulations will have a maximum lifespan of five years before they must be reviewed before being eliminated or extended.

Lastly, the presidential proclamation titled "Regulatory Relief for Certain Stationary Sources to Promote American Energy" extends the compliance date for stringent updates to Mercury and Air Toxics Standards (MATS) finalized under the Biden Administration. This grants a two-year delay in the implementation of the new standards given that commercially viable technology to achieve compliance currently does not exist. This extension thus protects jobs in the impacted industries and safeguards electric output to the grid.

Other Notable Deregulatory Actions

Beyond regulatory policy changes aimed at technology and energy, President Trump issued several executive orders aimed at eliminating red tape and other regulatory restrictions that currently hamper disaster relief efforts and domestic mineral production, as well as eliminating unconstitutional or unlawful regulations.

On January 24, 2025, President Trump issued Executive Order 14181 (Emergency Measures to Provide Water Resources in California and Improve Disaster Response in Certain Areas) in response to devastating wildfires in the Los Angeles area. The Executive Order removes regulatory hurdles to ensure access to adequate water resources in Southern California and maximize water deliveries. The Bureau of Reclamation was tasked with ensuring that state agencies, such as the California Department of Water Resources, do not interfere with Federal operations aimed at delivering water to high-need communities.

On March 20, 2025, President Trump issued Executive Order 14241 (Immediate Measures to Increase American Mineral Production), which requires agencies to "solicit industry feedback on regulatory bottlenecks and other recommended strategies for expediting domestic mineral production," reduce reliance on foreign sources, and enhance national security. Key directives of the executive order include:

- Identifying Federal lands containing mineral deposits and prioritizing these areas for mining activities;
- Expediting the permitting of mineral production projects;
- Utilizing Defense Production Act authorities to support domestic mineral production, including providing financial assistance to private entities; and
- Offering loans and guarantees to domestic mineral producers to facilitate capital investment in the sector.

On April 9, 2025, President Trump initiated a pair of executive actions that aim to eliminate regulations that are unconstitutional, unlawful or inhibit competition. The first action, a presidential memorandum titled "Directing the Repeal of Unlawful Regulations," instructs agencies to rescind existing regulations deemed unlawful under ten recent Supreme Court decisions. Agencies are directed to bypass the standard notice-and-comment rulemaking process by invoking the "good cause" exception of the Administrative Procedure Act, since retaining unlawful regulations is contrary to the public interest. The second action,

Executive Order 14267 (Reducing Anti-Competitive Regulatory Barriers) directs Federal agency heads to eliminate "[r]egulations that reduce competition, entrepreneurship, and innovation." The order targets rules that create monopolies, impose unnecessary barriers to entry, limit competition, or enforce restrictive licensing requirements. The initiative aims to foster economic growth, innovation, and consumer choice by eliminating regulations that protect incumbents and stifle new market entrants.

Finally, on April 9, 2025, President Trump signed Executive Order 14264 (Maintaining Acceptable Water Pressure in Showerheads) that rescinds regulations limiting water flow from showerheads. Specifically, the order directs the Department of Energy to repeal a 13,000-word rule redefining "showerhead," thereby restoring consumer choice.